

Cultural Council Meeting Agenda

**Thursday, October 15, 2015
City Hall, 749 Main Street, Louisville
Spruce Conference Room
6:30pm**

We promote arts and culture in Louisville. We program cultural events, advocate for and support artists, and advise City Council. By doing so we engage our diverse social, cultural, and creative community.

- I. Call to Order 20 min
- II. Roll Call (items I – VI)
- III. Attendance and Volunteer Hours Log (To Be Circulated)
- IV. Approval of the October 15 Agenda
- V. Approval of September 17 Meeting Minutes
- VI. Public Comments: Items Not on the Agenda

Items for LCC Discussion/Decision

- VII. Treasurer's Report
 - a. September 2015 Financials: Lawrence
- VIII. 2016 Art Grant Program 45 min
 - a. Discussion
 - b. Review of Application Materials
 - c. Timeline

LCC Meetings & Event Plan

- a. 2016 LCA Dates on Calendar

2016 SCFD Reauthorization

- a. Discussion of 9-28-2015 FACE2016 Meeting
- b. Request for Contribution

- IX. Programming Reports/Committee Updates 20 min

Sunday Chamber Committee

- a. 10/11: Alfredo Muro Update
- b. 12/6: Mark Diamond: A Jazzy Holiday: Confirmed (4pm Start Time)

Lecture Committee

- a. October 1: Stories on Stage Report

Friday Night LIVE! Committee

- a. September 25: MaryLynn Gillaspie Report
- b. October 23: Alfredo Muro (Latin Jazz Ensemble)

Movie Committee

- a. Update, if any

Marketing Committee

- a. Update, if any

Cultural Arts Master Plan Committee

- a. Update on October 5th Committee Meeting

- X. City Council Report 5 min
- XI. Staff Updates 5 min
 - a. Boulder County One Action: Art + Immigration Project
January 23, 2016 Kick-Off at the Longmont Museum, 2-4pm
Louisville Art Projects in the Works
 - b. Downtown Mural Project
- XII. Chairman's Report 5 min
- XIII. Future Meeting Discussion
 - a.
 - b.
- XIV. Adjourn

Attachments: September 17, 2015 Meeting Minutes, September 2015 Financial Reports; LCC Art Grant program; FACE 2016 20-30-50 Proposal and SCFD Face the Facts Response

Cultural Council

Meeting Minutes

**17 September 2015
City Hall, Spruce Room
749 Main Street
6:31 pm**

Call to Order – Chairperson Mark Oberholzer called the meeting to order at 6:31pm.

Roll Call was taken and the following members were present:

Board Members Present: Lawrence Anderson, Gina Barton, Mark Oberholzer (Chair), Tammy Pelnik, Jennifer Strand, Blake Welch

Board Members Absent: Sue Anthony, Darin Brown, Angie Layton, Liz Rowland

Staff Members Present: Suzanne Janssen

City Council Liaison: Hank Dalton

Public attendees: Bridget Bacon, Paula Elrod

Attendance and Volunteer Hours Log – circulated for completion by LCC members.

Approval of Agenda – The agenda for today's meeting was approved by all members.

Approval of Meeting Minutes – The minutes from the 20 August 2015 meeting were approved as written.

Public Comments – None

Treasurer's Report – No substantial change in the last month.

Louisville Historical Commission Report: Guests Bridget Bacon and Paula Elrod

City of Louisville

City Manager's Office
303.335.4536 (phone)

749 Main Street
303.335.4550 (fax)

Louisville CO 80027
www.LouisvilleCO.gov

The Louisville History Museum, Louisville History Foundation, and Louisville Historical Commission are working to renovate the museum campus to address issues such as ADA compliance, collection storage, climate control, etc. based on the CAP Report from several years ago.

In 2014, the city funded a needs assessment by an outside firm, Metcalfe, of Philadelphia. There will be programming space inside, for up to 30 people. Next steps: talking to various groups for awareness, collaborating with the city; and preparing for an architectural design to be completed in 2017. The museum staff will be pursuing a capital campaign and other fund raising (i.e., grant) options.

Some of the interior walls will be moved/removed to improve accessibility inside.

Building would be initiated within a few years of having the design completed and grants awarded.

Bridget and Paula will appreciate LCC support whenever that is appropriate.

LCC Mission and Program Planning

Proposed Mission Statements (a) and (b) in meeting packet were discussed.

Final statement, passed by the LCC: *We promote arts and culture in Louisville. We program cultural events, advocate for and support artists, and advise City Council. By doing so we engage our diverse social, cultural, and creative community.*

Proposed Job Description was discussed and approved as amended. Final LCC job description reads as follows:

Each member of the Louisville Cultural Council:

- *Participates in the monthly LCC meeting (2 – 2.5 hours/month)*
- *Plans and executes cultural events (up to 7 hours per event – monthly)*
- *Reads, evaluates and awards grants (up to 2 hours/month)*
- *Activities such as collaborating with other cultural organizations, working group meetings and special projects (up to 1 hour/month)*

In addition, titled positions carry extra responsibilities:

- *The Chair creates a monthly meeting agenda, runs the monthly LCC meeting, reviews prepared meeting minutes, serves as primary*

-- For approval --

contact with Louisville staff, supports special projects such as SCFD grant writing, represents LCC at other meetings, and supports LCC-related phone calls and emails (5 hours/month and upward).

- *The Vice Chair may assume the Chair's role in his/her absence, and supports the Chair as needed.*
- *The Treasurer creates, manages, and oversees the LCC budget, manages banking, creates a monthly report, and leads the annual SCFD grant writing (4 hours/month).*
- *The Secretary records monthly meeting minutes (1.5 hours/month).*

2016 LCC Meetings & Event Plan: Date planning meeting on September 21 at 2 pm at City Hall. Mark and/or Lawrence to attend and secure dates.

Art Grants Timeframe & Discussion – Preliminary materials distributed during meeting. Final grant report to SCFD will be due in February, so the goal is to have the LCC grant program defined before that report is prepared. Further discussion planned for the next LCC meeting.

FACE – Independent lobbying group that is discussing alternatives for Tier 3 funding with SCFD. The FACE group is a coalition of 80 Tier 3 cultural organizations. Current SCFD funding is roughly 13% allocated to Tier 3. FACE is pursuing a 20% allocation for Tier 3. A possible vote for next month on LCC donating money, not city-provided funds, to support their effort.

2016 meeting days: Thursday is better for several members, Monday is better for others. For 2016 we will meet third Thursday, with possible months off in the summer due to the summer concert series and vacation conflicts with LCC members.

Programming Reports/Committee Updates

- **Sunday Chamber Committee:** 10/11/15: Alfredo Muro is booked, poster is prepared, lead for the event is Lawrence. 12/6/15: Holiday program may be Mark Diamond (Jazz bassist), but will need to be a 4 pm program (later than typical timing).
- **Lecture Committee:** 10/1/15: Stories on Stage, Suzanne will look into possible music to precede event. Suzanne and Jennifer will work that event.
- **Friday Night LIVE! Committee:** 9/25/15: MaryLynn Gillaspie tickets are already being sold. Blake and Gina will support the event. 10/23/15: Alfredo Muro is booked, Jennifer will be the lead.

-- For approval --

- **“Angie’s Lit” Committee:** No report.
- **Movie Committee:**
 - 10/10/15: Silent movie with Rodney Sauer – Tammy will send requests for support. This event needs a lead and other volunteers.
 - Lori Jones, Art Underground, wants to collaborate with LCC on a film series, for later 2016/early 2017.
- **Marketing Committee:**
 - Posters were distributed for upcoming music programs. There is a part-time city employee who will do poster distribution for LCC for \$15/hour paid directly by LCC.
 - We will pursue a single print ad for the Fall programs, spending up to \$500.
- **Cultural Arts Master Plan Committee:** Next meeting proposed for week of October 5th. Larger Steering Committee meeting with a goal for later November, and a public meeting in early December.

City Council Report

Hank discussed the Legal Committee meeting of 9/17 regarding the 501(c)(3) issue. They will be making a recommendation to City Council.

Also, the HFAB is becoming Parks & Public Landscape committee. On Monday there will be another City budget meeting, to be approved in early November before the election.

The Urban Renewal Plan has been approved for the former Sam’s property, and is being contested.

Staff Updates – No additional updates

Chairman’s Report – No additional information

Discussion Items for Next Meeting – FACE funding from LCC; LCC grant program; possibly the 501(c)(3) issue pending input from City Council.

Meeting Adjournment – The meeting was adjourned at 8:23 pm.

Louisville Cultural Council Treasurer's report as of September 30, 2015

Prepared by Lawrence Anderson

General Items

Assets (as of September 30, 2015)

- ☐ Checking account balance of \$14,760.77
- ☐ Savings account balance of \$21,387.07
- ☐ Cash box balance of \$200.00
- ☐ Total current assets of \$36,347.84

Key Dates to Remember

Board Member Information

- Please remember to obtain W-9 s from event performers; Ernest needs that information to prepare 1099s.
- LCC accountant is Ernest J. Villany, Boulder Valley CPA, 917 Front St. Suite 210, Louisville, CO, 80027 – 720-663-8750
- LCC banks with Great Western Bank (downtown Louisville)
- Receipts must accompany your reimbursement requests. Please attach receipts to event reports if applicable.
- Event performers must be paid with a check (no cash payments). Chair and Treasurer have LCC checkbooks. Please request a check prior to your event! Please attached Check stub/receipt too event report.
- Cash box (\$200 balance) is usually kept by the Treasurer or the person coordinating an upcoming event.
- Please keep clear and accurate Event Reports.

11:32 AM
10/08/15
Accrual Basis

Louisville Cultural Council
Balance Sheet
As of September 30, 2015

	Sep 30, 15
ASSETS	
Current Assets	
Checking/Savings	
Cash in Box	200.00
Checking - Great Western Bank	14,760.77
Savings - Great Western Bank	21,387.07
Total Checking/Savings	36,347.84
Total Current Assets	36,347.84
TOTAL ASSETS	36,347.84
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	24,466.26
Temp. Restricted Net Assets	
Art in the Park	8,830.83
Total Temp. Restricted Net Assets	8,830.83
Unrestricted Net Assets	1,241.75
Net Income	1,809.00
Total Equity	36,347.84
TOTAL LIABILITIES & EQUITY	36,347.84

Louisville Cultural Council

Profit & Loss

January through September 2015

	Jan - Sep 15
Ordinary Income/Expense	
Income	
Direct Public Support	
Individual Contributions	1,196.85
Gifts In-Kind - Services	1,600.00
Total Direct Public Support	2,796.85
Government Grants	
City of Louisville	10,000.00
SCFD	1,800.00
Total Government Grants	11,800.00
Program Income	
Ticket Sales	
Friday Night Live	476.00
Sunday Chamber Series	234.00
Film Series	515.00
Total Ticket Sales	1,225.00
Concessions	150.00
Total Program Income	1,375.00
Investments	
Interest-Checking/Savings	17.81
Total Investments	17.81
Total Income	15,989.66
Gross Profit	15,989.66
Expense	
Program Expense	
Artist Fees	
Summer Concerts	6,950.00
Film Series	468.00
Lectures	400.00
Sunday Chamber Series	771.00
Friday Night Live	1,446.00
Total Artist Fees	10,035.00
Instructor Fees	455.00
Rental	100.00
Food and Beverage	46.05
Graphic Design/Marketing	1,600.00
Technical Support	900.00
Total Program Expense	13,136.05
Awards and Grants	
Cash Awards and Grants	300.00
Total Awards and Grants	300.00
Operations	
Advertising and Marketing	
Print/Display	490.00
Poster Distribution	141.00
Email Marketing	78.40
Total Advertising and Marketing	709.40

11:33 AM
10/08/15
Accrual Basis

Louisville Cultural Council
Profit & Loss
January through September 2015

	Jan - Sep 15
Licenses and Fees	25.00
Supplies	10.21
Total Operations	744.61
Total Expense	14,180.66
Net Ordinary Income	1,809.00
Net Income	1,809.00

CITY OF LOUISVILLE ART GRANT APPLICATION

Grant Cycle: 2016



Insert: Overall goal of the Art Program/Event Grants
Eligibility Requirements

Awarded applicants may be granted use of the Louisville Center for the Arts free of charge for this event or award monies can be used to offset expenses to hold the events at another pre-determined facility.

Please tell us about yourself and any collaborative partners you may be working with on this program/event:

Primary Contact: _____

Address: _____

Email Address: _____

Phone Number(s): Home: _____ **Mobile:** _____

Collaborative Partner(s): _____

Your Program/Event Title: _____

Proposed Date for Program/Event: _____

Proposed event location: _____

Please give an overview of your project:

Project goal(s):

Target audience impacted by this project:

Anticipated community reach (numbers of individuals):

Please describe prior experience in executing similar programs. Please attach a separate sheet of paper if needed.

PROJECT BUDGET

Please provide an itemized budget for your project in the table below:

ITEM	DESCRIPTION	AMOUNT
Performer payments		
Marketing		
Insurance (if applicable)		
Supplies		
Equipment		

How will your organization clearly measure the success of your project/event?:

Please include any additional information we should know in order to evaluate your funding request:

Thank you for submitting your application for a Louisville Arts Programming Grant.

Applicants will be notified of the awards by _____.

Monies will be available after _____.

Please return this application by _____ to:

LOUISVILLE ART GRANTS

c/o City Hall

749 Main Street

Louisville, CO 80027

Additional questions or concerns?

Please call Suzanne Janssen at 303-335-4581 or Suzanne J@LouisvilleCO.gov

City of Louisville Art Program Grant



Art Program Grant Evaluation

Within 60 days of the completion of your event, please provide written answers to the following questions. The LCC appreciates a candid assessment of your event, the impact upon the Louisville community and how you assess your overall community reach.



Art Program: _____

Program Goal: _____

Please describe the impact your event had on the community:

How did you attract your target audience? Numbers of individuals reached:

Did the activity generate any unexpected outcomes or impacts?

Was your organization able to achieve your program goals? If yes, how? If not, what improvements can be made for future programs/events?

Outcomes:

How did you measure your progress towards achieving your goals for this activity?

How do these measures show you made a difference in the local community?

Lessons Learned: Evaluations often reveal opportunities for improving programs/events. Did your organizations gain new insight to your program based upon lessons learned?

Financials:

Earned Income from the Event: _____

Total Event Expenses: _____

Overall percentage of grant to expenses: _____

Marketing: Please describe how you acknowledged this award the City's Art Program Grant. (Attach samples of letters, press clippings, playbills, brochures, etc.)

Shared Stories: Was there an instance in which your organization felt it made a difference, or had a significant impact, on an individual or group of participants? If so, please share any anecdotal evidence by describing the situation, sharing a quote or story below. (Please note that the LCC may use this example in marketing the Art Program Grant in electronic media or on future publications or reports.)

FACE 20.30.50 Funding Proposal

Everyone is pro-SCFD.

Nobody would question the fact that the SCFD is a ground-breaking model in terms of cultural funding in the nation. Colorado is the envy of Arts and Science institutions across the country. We do not take the funding for granted and it is difficult to imagine organizations like The Denver Museum of Miniatures, Dolls, and Toys thriving if they suddenly lost the 14.7% of their operating budget that the SCFD provides or organizations directly across City Park like The Denver Museum of Nature and Science thriving if they lost the 24.5% of theirs.

We all want reauthorization. However, just because something is enviable from the outside doesn't mean it couldn't work in a more meaningful way from the inside. FACE is looking at a funding model that is more equitable, one that better prepares for growth, one that puts more money into diverse communities, and one that meets the voters on the issue of more funding in their neighborhoods. We appreciate the time the SCFD Board has put into all of the changes to the SCFD that have been on the table. We know that funding distribution was only one aspect of many. FACE's distribution proposal is not starting over from square one. It builds on the work of the task force, being mindful of the ideas of gradual change, while keeping the large organizations healthy.

Why 20.30.50?

Moving towards citizen trends with more equitable funding.

Our citizens are already voting with their attendance. While 20 years ago people were attending large organizations far more than small ones, today's audience trends tell a very different story.

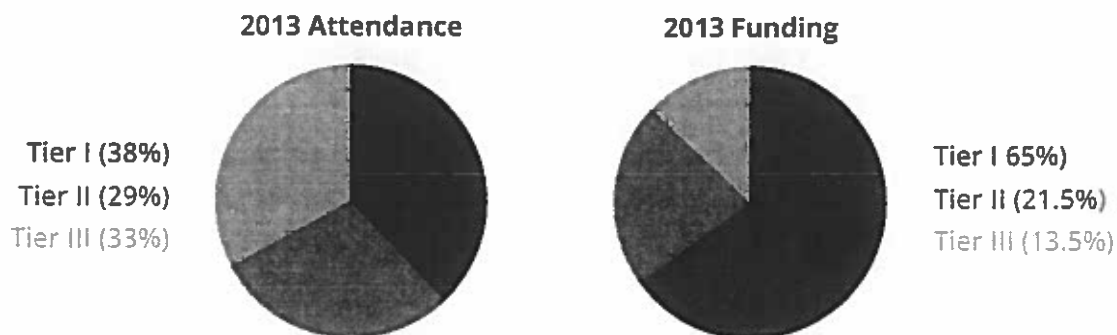
1993 SCFD Attendance



2013 SCFD Attendance



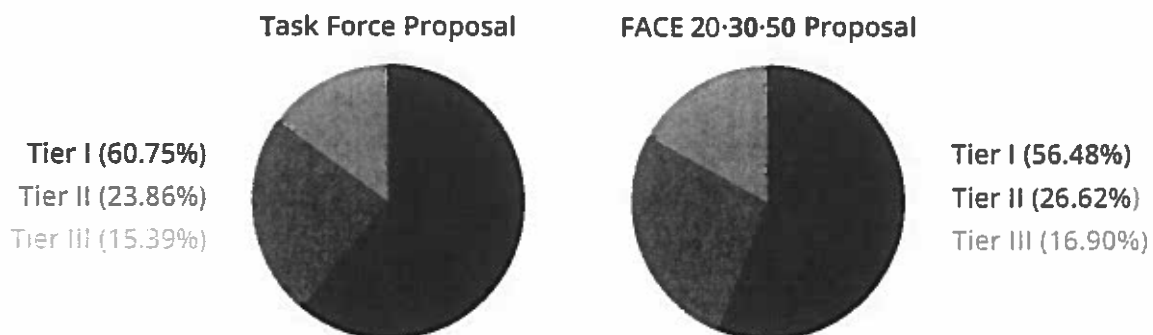
In 2013 (the most recent year that we have compiled all the data), over 13.5 million people attended SCFD funded organizations. The attendance was spread nearly evenly between tiers, while the funding was not.



Attempts have been made to devalue these statistics by pointing out that numbers served by Tier III organizations are not audited. It is true that most Tier III organizations do not have the resources to do so, but all make a concerted effort to track attendance accurately. At non-ticketed events, such as school performances, Tier III often has to rely on teacher estimates. While this system may not be foolproof, reports from the SCFD and Colorado Business Committee for the Arts (CBCA) use the Tier III numbers to proudly inform the public on how many people benefit from SCFD-funded programming. If the numbers are good enough to be used to promote the SCFD, they should be good enough to examine the inequality reflected in the distribution. This inequality provides \$6.56 per attendee to Tier I organizations, \$4.55 per attendee for Tier II, and \$1.36 for Tier III.

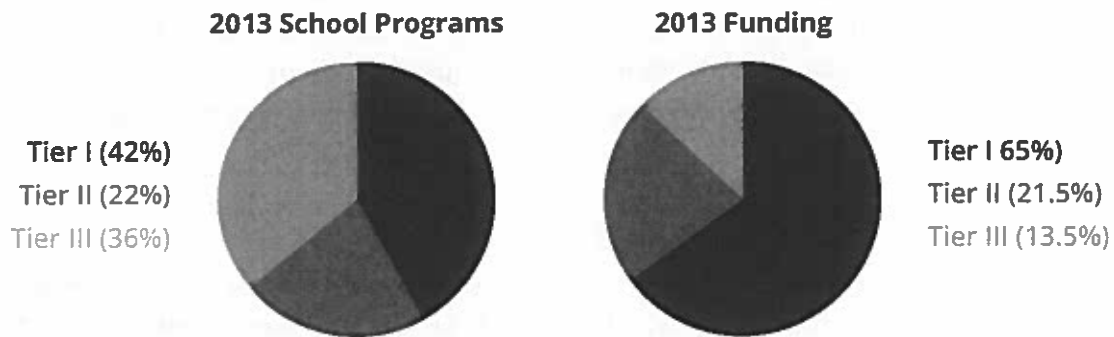
Both the task force model and the FACE 20-30-50 model make shifts to distribute funds more evenly between tiers. While the task force model averages slightly lower percentages for the bottom two tiers, it should be noted that the FACE model does not make a drastic jump to a 20-30-50 funding breakdown. It is a gradual shift that averages slightly larger percentages for Tiers II and III. In this way, the public's interests will be better reflected by the funding.

Funding Percentages Averaged Over 2018-2030

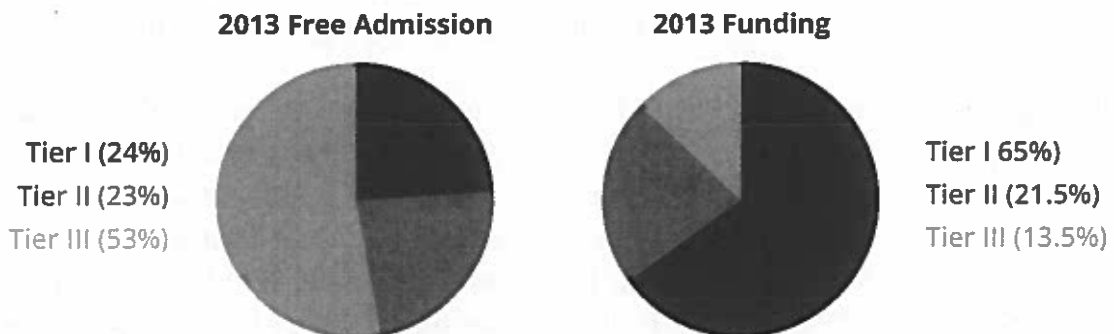


How the tiers serve our community.

All three tiers provide amazing programming for people across the district and beyond. Two significant components are school and free programming. In 2013, the SCFD provided 21,118 school programs. While Tiers III and II offered a combined 58% of the school programming, they received a combined 35% of the funding.



Free admissions are important at every tier level and in every county to best serve populations that can not afford programming and transportation. In 2013, SCFD organizations had free admissions totaling 4,185,672. While Tiers III and II accommodated 76% of the free admissions, they received 35% of the funding.



A recent NEA study shows that of the 31 million Americans who report that they wanted to participate in a specific cultural event, but didn't, 38% said that cost was a factor and 37% said that physical access was a factor (source: <http://arts.gov/news/2015/surprising-findings-three-new-neareports-arts>). The affordability and location spread of Tier II and III organizations is important.

Don't leave low income households behind.

Low income households pay disproportionately more in sales tax (reported by the Institution on Taxation and Economic Policy among many others). We need to ensure that the population that is paying a higher percentage of their income into the SCFD are being properly served by its organizations. These households do not only struggle with the cost of cultural events, but with the time and transportation that they often require.

Today, more poor people live in the suburbs (16.4 million of them) than in U.S. cities (13.4 million), despite the perception that poverty remains a uniquely urban problem (source: <http://www.citylab.com/work/2013/05/suburbanization-poverty/5633/>). Between 2000 and 2011, the population living in American cities below the poverty line increased by 29%. During that same time, in the suburbs of metropolitan areas across the country, the ranks of the poor grew by 64%. This suburbanization of poverty is pertinent to the distribution of SCFD funds. Low-income families, forced out of Denver County, need to be served by organizations in their neighborhoods to reduce the heavier burdens that they already bear. Smaller organizations are also being forced out of the city center. We need to commit a higher percentage of SCFD funds to these organizations and the populations that they serve.

Preparing for all of the Colorado growth.

Colorado is growing steadily (currently at a rate twice that of the national average, a rate projected to get even higher in the upcoming year), which hopefully results in record numbers of SCFD funding. Growth in the community will also mean growth in the number of organizations at the Tier II and III levels. Tier III added 27 organizations in the last two years. That is an 11% increase. The recently adopted recommendations to increase the budget threshold for Tier II and the years of operation for both Tiers II and III will slow that growth, but we are not sure to what degree, and it is important to note that we strongly believe that impeding organizational growth is not a benefit to the cultural climate. Making it more difficult to transition from Tier III to II and more difficult to getting funding as a young organization is not a solution. We need to prepare for growth, not try to stifle it.

Much of the growth will happen outside of Denver County. Out of the seven SCFD funded counties, the state demographer's office projects the most growth in Broomfield, Douglas, and Adams Counties by the year 2030. Already, without growth in the outer counties, there is a distribution disparity that cannot be exclusively explained by Tier I serving people from all counties. According to SCFD data gathered for the CBCA report, Tier I serves 26% of the Boulder residents that are served. Unless the remaining 74% of Boulderites are served mostly by other Denver-based institutions (an unlikely premise), it is clear that Boulder County does not get its fair share of the SCFD funding. Boulder-based organizations serve 11.9% of the public, but receive 3.3% of the funds.

Currently, the percentage of SCFD attendees from each county tends to match fairly well with the percentage of the SCFD tax that the county contributes. However, for most counties there is a stark drop in the comparative percentage of SCFD funds they receive. The only exception is Denver County, which sees a disproportionately large increase.

Adams County



Arapahoe County



17.5% of Attendees
19.9% of Contributed Tax
3.2% of Funding

Boulder County



11.9% of Attendees
9.6% of Contributed Tax
3.3% of Funding

Broomfield County



2.2% of Attendees
2.2% of Contributed Tax
0.3% of Funding

Denver County



31.4% of Attendees
29.1% of Contributed Tax
82.2% of Funding

Douglas County



9.2% of Attendees
9.5% of Contributed Tax
2.7% of Funding

Jefferson County



18.2% of Attendees
15.1% of Contributed Tax
7.0% of Funding

Strength at the polls.

There is no question that the visibility and name-recognition of Tier I is very valuable to the reauthorization process. But we should not underestimate the value of the phrase "the SCFD funds over 300 organizations". The SCFD talking points on the website lean heavily into that, and rightfully so. The fact that tax dollars are being distributed to that many diverse organizations, located right in voters' backyards, is compelling. Tiers II and III are spread throughout the counties, serve nearly 2/3 of the culture-going public, and take credit for a good portion of the 10,205 jobs in the Arts that the CBCA touts. All tier levels contribute to the SCFD's appeal at the polls.

Colorado has grown in the past year (June 2013-June 2014) to the tune of 83,780 people and is projected to grow by more than that in the next year. We can not count on all of these new Coloradans to be invested in any particular cultural institution. In terms of these new voters and the established ones, we believe there is strength in saying that the SCFD is trying to meet voters with appropriate funding for organizations in their immediate neighborhoods.

According to a bipartisan group called NonProfit Vote, Colorado ranks 3rd in the nation for voter turnout. The Accountability in Colorado Elections information (found on the Secretary of State's website) shows that, of the SCFD participating counties, Denver county had the lowest percentage of voter participation of registered Democrats and Republicans in 2014. 55% of both parties voted in Denver County, whereas, 65% of Democrats and 71% of Republicans voted in Jefferson County, which houses several of the largest Tier II and nearly 50 Tier III organizations.

The importance of diversity in our cultural institutions.

While Tier I has programs that serve the underprivileged or poor or differently-abled or minority or homeless communities, Tier III contains organizations that work with and for these populations exclusively. We maintain that there are several factors that prevent certain people from participating in events at the five Tier I institutions and to assume otherwise is an indication that you are not working on the ground level with portions of our society.

A quick scan of Tier III funded organizations yielded that at least 6% of them have a full-time commitment to serving, working with, and celebrating underserved and disenfranchised communities. Like Tier I, most Tier II and III organizations also have programs directed toward these populations. To the best of our knowledge, only Tier III has organizations operated by people of color. According the 2014 CBCA report, by the year 2028, the Hispanic population will comprise more than ¼ of Colorado's total population. Given that fact, several Tier III organizations deserve to be recognized for meeting a large portion of our community's needs/interests.

In January of 2015, the National Association of Latino Arts and Culture took a critical eye to 'community engagement' projects led by major national institutions, pointing out that minority groups want empowerment to serve themselves, as opposed to only being a target demographic for the cultural majority:

"Perhaps the impact of this cultural work on behalf of dominant institutional networks has not been felt by communities of color in a way that register with our values and sense of place in the American story or, and we do not think this irrational or implausible, perhaps the outcome was precisely meant to be just that—the appearance of a shared social ethos, purely a surface or veneer through which to brightly reflect the change in demographics in order to be dispensed from actually integrating bodies and minds of color."

Confronting the same-old national trends.

A recent article on the Americans for the Arts website reminds all of us that the field of Arts and Culture is not above the inequities that we see elsewhere in our society. According to research into Arts and Culture organizations across the country, we find that, despite what we might like to believe, this field mirrors the national trends of hegemonic oppression, favoring certain races, classes, genders, physical capabilities, etc. This includes the field's tendency towards funding large institutions at a disproportionate rate to smaller ones; the few getting much, while the many get little. Slowly, we must push against such systemic problems, working towards a more positive and creative model (source: <http://blog.americansforthearts.org/2015/08/07/what-we-talk-about-when-we-talk-about-transforming-the-field>).

A look at all three tiers.

Tier III is not currently over-funded.

The SCFD Board has expressed concern that some counties are unable to use 100% of their funds without giving some organizations large percentages of their operating budgets. Let us take a closer look at this. In 2013:

- The Denver Museum of Nature and Science received 22.6% of their operating budget from the SCFD.
- Only 9% of Tier III received a similar or higher percentage.
- Of those organizations, more than 1/3 have such incredibly small budgets that a very modest SCFD award put them in this category.
- Nearly 12% of Tier III organizations received 5% or less of their annual operating budgets.

The tier that contained 245 organizations naturally shows examples of both extremes, though it is more heavily weighted to the low end of the extremes.

Although the SCFD Board cites the fact that Cultural Councils give organizations more than 50% of their operating budgets, this happened to only 4 organizations in 2013. Some counties do have more funds than others, but this puts them in the great position to 1) be more prepared for the growth that is coming and 2) encourage more home-grown Arts/Science/Cultural institutions to sprout and flourish. Cultural Councils can make shifts in their requirements and limitations in order to make the most of extra funding, if it exists. When Denver County had more funding than usual the year before last, they chose to raise the request cap to better serve the largest Tier III organizations that get the smallest percentage of their operating budget. Don't punish the whole tier for a few non-representative examples.

The trouble for Tier II organizations.

While the large numbers in Tier III show both ends of the funding spectrum, Tier II receives, on average, the lowest percentage of their annual budgets from the SCFD. Because of the algorithm used to determine the breakdown within the tier, it is particularly difficult for organizations at this level to budget for a certain amount. This is also the tier most affected by growth in number of organizations. Even a handful of additions will have a strong impact on numbers for any individual organization and, according to a chart in the SCFD task force work group presentation, Tier II is projected to grow by as many as ten organizations by the year 2030 (a 37% increase). Whereas the Tier I percentage made a large leap to cover the one instance of growth since its inception (adding the DCPA), growth at the Tier II level is not prepared for to the same degree, which probably greatly accounts for the following example:

- In 1997, the Colorado Ballet received \$434,290. In 2014, they received \$609,282. That is a healthy 40.2% increase.
- In 1997, the Zoo received \$4,164,309. In 2014, they received \$7,934,124. That is a much healthier 90.5% increase.

The fiscal health of Tier I organizations.

25 years ago the SCFD was created to, in great part, ensure the fiscal health of Denver's major cultural institutions. This groundbreaking legislation did what it set out to do. According to their Annual Reports from the last three years, the five Tier I organizations are in a position to prepare for the gradual 20-30-50 funding shift. We are aware that they are large organizations with huge overheads, but they also have the benefit of being able to plan around their SCFD funding, as they each know their percentage of the Tier I distribution.

- Tier I institutions consistently receive additional funding from the city and county to cover repairs, improvements, etc. (In the past three years, the five organizations reported receiving between 4.4% and 39% of their annual budgets from non-SCFD government sources.)
- Tier I institutions have healthy endowments, which (to the best of our ability to discern from Annual Reports) yield between \$1.2 and \$6.5 million per year in investment income.
- Tier I institutions all report healthy surpluses. In the past three years, only one organization reported a deficit (\$419,000 for The Denver Museum of Nature in Science in 2014), however it followed a year with a substantial \$17 million surplus and therefore was not reflecting a pattern that should cause concern.
- In the past three years, each institution has had at least one year with a more than \$2 million surplus (for some, that number is substantially higher).
- The average annual surplus for all five organizations is over \$5.2 million.

These are organizations that can afford to plan for a gradual shift by 2030. The SCFD should be proud of the part it played in establishing their fiscal health and now the SCFD can break new ground by better supporting the smaller institutions spread throughout the district.

How does 20-30-50 work?

The 20-30-50 model is gradual, not radical.

The model is a gradual shift over the 12 year funding period, reaching 20-30-50 in the year 2030. Unlike the task force model, it does not require a decrease from 2017 to 2018 for the Tier I organizations. Charts generated show that the more gradual shift allows Tier I more time to prepare for less of an increase. Tier II is the first to move above the task force numbers, as they consistently receive the lowest percentage of their budget. It is not until the fifth year of the plan that Tier III goes above the task force number. The plan removes the \$38 million funding threshold, as it is an unnecessary complication on the ballot, reminding more conservative anti-taxers of the “high” number being funneled into the Arts/Sciences.

The plan is not seeking immediate larger funding at the Tier II and III levels. It is working in a future-minded way, slowly reaching a more equitable distribution. Preparing for healthy growth at the “grassroots” level by the year 2030 is the best way for SCFD funding to continue being an exemplary funding model for the country. It is not a radical shift away from the major organizations that we are all proud to have in the district. Tier I still gains more than \$520 million over the course of the funding period, Tier II more than \$245 million, and Tier III more than \$155 million.

20-30-50 Annual Applied Percentages, 2018-2030

	Tier I	Tier II	Tier III
2018	64.0%	22.0%	14.0%
2019	62.5%	23.0%	14.5%
2020	61.1%	24.1%	14.8%
2021	60.1%	24.8%	15.1%
2022	59.0%	24.4%	15.6%
2023	58.0%	26.0%	16.0%
2024	57.0%	26.5%	16.5%
2025	56.2%	26.8%	17.0%
2026	55.0%	27.4%	17.6%
2027	54.0%	28.0%	18.0%
2028	52.8%	28.7%	18.5%
2029	51.6%	29.4%	19.0%
2030	50.0%	30.0%	20.0%

FACE 20:30:50 Proposal

Task Force Proposal

Projected Revenue (less 1.5% admin)

Tax Year	Tier I	Tier II	Tier III	Tier I	Tier II	Tier III
2018	\$36,348,895	\$12,494,933	\$7,951,321	\$35,033,234	\$13,246,738	\$8,515,175
2019	\$36,779,099	\$13,534,708	\$8,532,751	\$36,202,538	\$13,780,105	\$8,863,914
2020	\$37,253,932	\$14,694,268	\$9,023,866	\$37,414,077	\$14,332,737	\$9,225,251
2021	\$37,967,781	\$15,667,237	\$9,539,326	\$38,669,376	\$14,905,329	\$9,599,638
2022	\$38,619,139	\$16,625,866	\$10,211,162	\$39,970,015	\$15,498,603	\$9,987,548
2023	\$39,335,837	\$17,633,306	\$10,851,265	\$41,317,630	\$16,113,305	\$10,389,469
2024	\$40,053,927	\$18,621,562	\$11,594,558	\$42,713,927	\$16,750,212	\$10,805,908
2025	\$40,918,188	\$19,512,588	\$12,377,388	\$44,160,653	\$17,410,123	\$11,237,388
2026	\$41,490,876	\$20,670,000	\$13,277,080	\$45,659,635	\$18,093,869	\$11,684,453
2027	\$42,207,877	\$21,885,566	\$14,069,292	\$47,212,759	\$18,802,311	\$12,147,665
2028	\$42,760,572	\$23,242,962	\$14,982,397	\$48,821,981	\$19,536,342	\$12,627,608
2029	\$43,298,128	\$24,669,863	\$15,943,109	\$50,489,327	\$20,296,886	\$13,124,887
2030	\$43,470,963	\$26,082,578	\$17,388,385	\$52,216,897	\$21,084,901	\$13,640,127

Total Funding

\$520,505,211

\$245,335,438

\$155,741,900

\$559,882,049

Compound Growth Rate

1.5%

6.3%

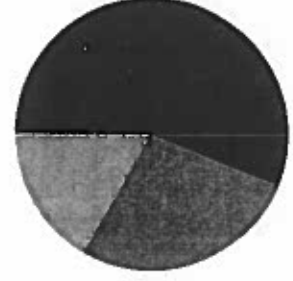
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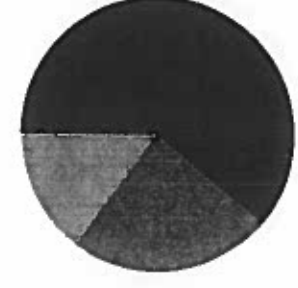
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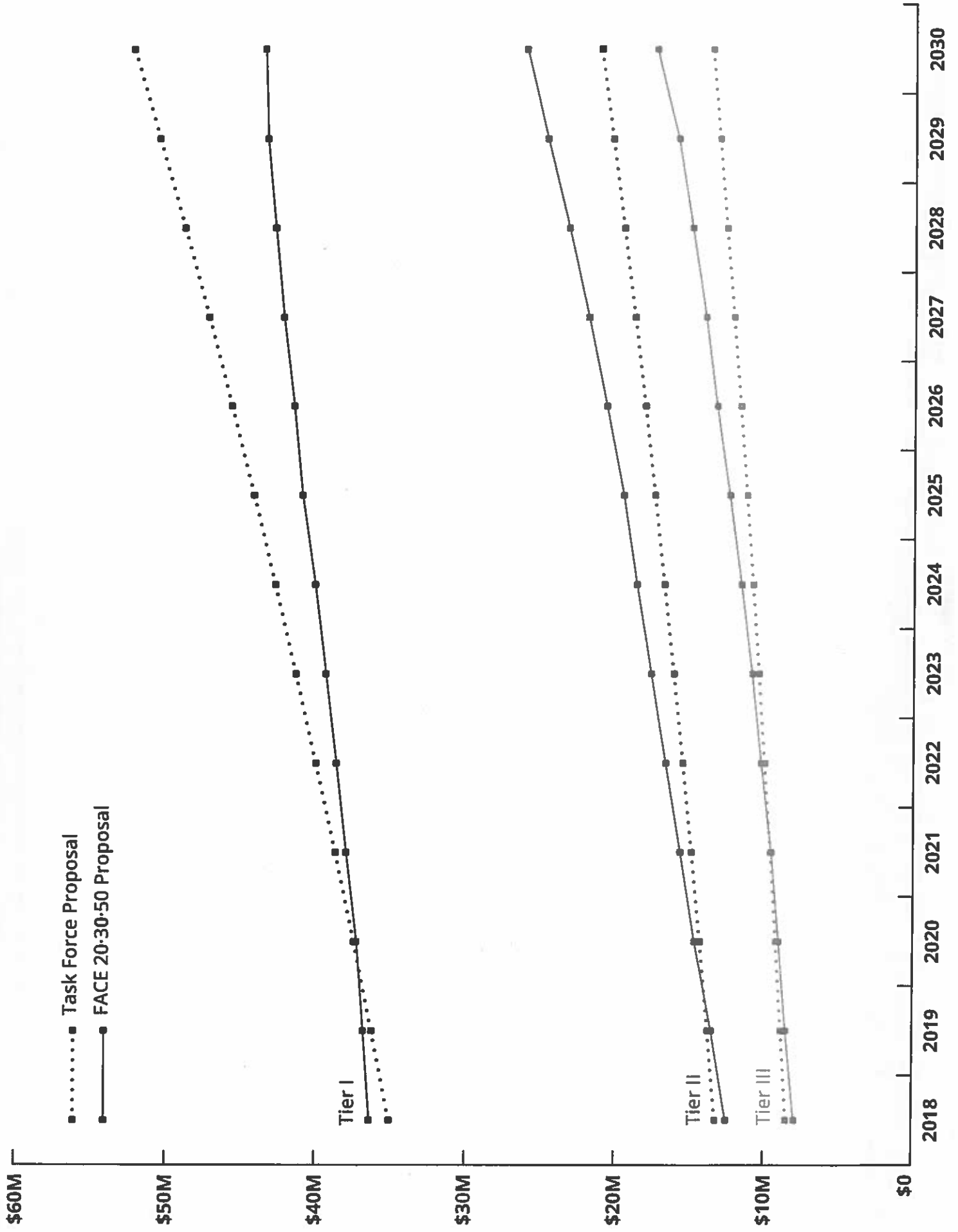
Funding Percentages Averaged Over 2018-2030



Tier I (56.48%)
Tier II (26.62%)
Tier III (16.90%)



Tier I (60.75%)
Tier II (23.86%)
Tier III (15.39%)



FACE: The Facts

Friends of Arts and Culture Equity (FACE) is circulating an online petition to alter the tax levies the SCFD Board of Directors adopted following a multi-year process to evaluate and determine statutory changes in preparation for the public vote in 2016. It mischaracterizes the process implemented by the SCFD Board and ignores important facts. We urge you to get the facts before deciding your organization's position on SCFD's future.

FACE #1: SCFD funding allocations for arts, sciences and cultural amenities have not significantly deviated from original funding percentages set in place 25 years ago. The proposed reauthorization formula makes an insignificant change from the existing funding distribution pattern.

FACT: The Reauthorization Task Force modeled and evaluated numerous tax allocation formulas. A foundation concept was growth in Tier I support by slightly above the average inflation rate in order to maintain collections and facilities, while providing a substantial increase in funding for Tiers II and III. The formula adopted by the board allows for a compound annual funding growth of 2.85% for Tier I, 4.88% for Tier II and 4.96% for Tier III. The formula did not raise the existing \$38 million breakpoint at which the Tier II and III shares increase significantly. The 2014 revenue was \$52 million. Application of the new percentages in 2018 and continuing through 2030 result in a \$37 million decrease for Tier I organizations from the current formula, a \$22 million increase for Tier II and a \$15.3 million increase for Tier III.

FACE #2: The 5 institutions that make up Tier I, of the Scientific and Cultural Facilities District receive approximately 65% revenues collected across the district. When combined with Tier II and Tier III allocations, approximately 80% of the tax collected across the district is distributed to organizations located in the City and County of Denver.

FACT: Based on data from the Colorado Division of Local Government and the State Demographer's office and the Colorado Department of Revenue, in 2014 the residents of Denver comprised 22.4% of the 7-county population, but generated 29% of the sales tax revenue. Denver residents have passed bond measures totaling \$225 million for major capital improvements to Tier I facilities, e.g., parking lots, buildings, renovations, etc., which benefited their patrons and visitors, as well as those of the Colorado Ballet, Opera Colorado, the Colorado Symphony Orchestra and other SCFD organizations using these facilities.

FACE #3: The process to make the decisions about the new formula for SCFD funding distributions was developed using criteria that kept discussion of a new funding formula tightly limited.

FACT: The independent Task Force facilitator, in preliminary communications to participants, emphasized that they should: 1) consider options beyond those identified by the work groups; 2) support candid and open dialogue, debate, discussion and decision-making; -and 3) build and maintain a culture of trust throughout the tenure of the

task force. Task Force members included leaders among all three tiers and were encouraged to bring ideas from their constituencies.

FACE #4: The taxing district has undergone significant change and growth demographically, politically, and in the diversity and number of arts, science and cultural offerings has spread across the entire district with an increase in organizations eligible for SCFD funding. Tier III organizations are not receiving an equitable share of the funds.

FACT: The seven county cultural councils comprise the foundation for distribution of Tier III funds: they distribute 7 different pots of money, according to 7 different funding guidelines. The SCFD statute honors local decision-making and the authority of county councils to focus on the needs of their residents in their grant making philosophies and funding plans. It requires that the SCFD board adopt each county's plan. The number of grant applicants may vary by county; however, 98% of Tier III organizations that submit grant applications receive some funding every year. Unlike many funders, SCFD does not require an organization, no matter how small or large, to take a year off from applying for funds. *Principles and Practices for Nonprofit Excellence in Colorado*, 3rd Edition (2015), endorsed by the Colorado Secretary of State and Colorado Attorney General, encourages nonprofits to diversify of revenue and cautions against over-reliance on a single funding source.

FACE #5: A successful tax initiative depends upon support from the entire district, including the significant portion of the population served only by Tier II and Tier III organizations, and in order to secure that support, the reauthorization formula needs to reflect current realities.

FACT: There is no evidence to even suggest that any segment of the population that resides within the District is served only by Tier II and III organizations. The fact that the main location of each Tier I facility is in Denver does not preclude serving residents of the other six counties. Seventy-seven percent (77%) of Tier I organizations' combined attendance is from outside Denver County. A study of 2013 school programming indicates that every public school in the 21 school districts that lie within the SCFD was served by an SCFD organization at least once during that year, with Tier I organizations serving the most schools by far. Cultural tourism plays a significant role in attracting visitors from outside the 7-county District. Overnight leisure and business travelers spent \$4.6 billion in Denver in 2014, according to the Longwoods study presented to VISIT Denver in June 2015. Longwoods survey respondents identified the Denver Art Museum, the Denver Zoo, the Denver Museum of Nature and Science, the Denver Botanic Gardens and the Denver Center for the Performing Arts among the top ten attractions they visited. The quality and uniqueness of exhibitions and collections at these facilities attracted 1.98 million people from outside the District, including 187,199 from outside the US. The 2014 Economic Activity Study published by the Colorado Business Committee for the Arts places the collective value of the SCFD's total economic impact to the metro region at \$1.85 billion.

FACE #6: An incremental change over the 12-year renewal period, resulting in a final year distribution which allocates 50% for Tier I, 30% for Tier II, and 20% For Tier III is gradual and would ensure the continued success of the flagship organizations by ensuring that funding for those five organizations is predominate and continues to grow over the life of the taxing period.

FACT: In November 2016 the public will vote on just three aspects of the SCFD: 1) the amount of the tax, currently one penny (1¢ on \$10); 2) the amount assigned to each of the three tax levies that are aggregated to yield the one penny; and 3) the sunset date. To date, neither FACE nor any proponents of a 20/30/50 formula has provided any details as to how this plan would be reflected in a ballot measure, how the figures were derived or how it would be implemented over the time period between the current and future sunset dates. These important questions have been discussed and debated for four years and the SCFD board has now put forward a concrete proposal.

FACE #7: A gradual, but measurable, increase in the funding distribution at the Tier II level helps to offset the effect of anticipated growth in the number of organizations at this tier level over the taxing period; and a gradual, but measurable, increase in the funding distribution at the Tier III level brings tax dollars back to the communities in the district and helps to fortify geographic equity of benefit across the entire district.

FACT: The greatest growth in Tier II occurred between 1989 and 2006, when the qualifying threshold remained \$700,000. A \$1,250,000 threshold for new organizations in 2006, and for all organizations commencing July 2009, coupled with a five-year minimum requirement of serving the public, has greatly slowed the growth in Tier II. The SCFD board adopted the Task Force recommendations to increase the service requirement to 7 years and to add a regional service requirement, to further slow the growth. Tier III organizations will have to meet a 5-year service requirement. Even if a plan to achieve a 20/30/50 allocation in the final year before the next sunset date could be agreed upon, presented in a ballot measure and implemented, the fact is that the Tier II and III organizations would most likely realize much less funding over the period between sunset dates than the current formula adopted by the SCFD board.